



# **Are You Ready to Manage Your Health Plan Costs?**

Presenter:

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## ***Pioneering Specialists in Group Health Care Post-Payment Administration for 25 Years***

**Unblemished track record – no HIPAA violations or employee issues**

- First with 100% claim audits
- Introduced the use of claim audits for recovery
- Originated linking of enrollment reconciliation with claim audits
- Started dependent eligibility audits 15 years ago
- Revolutionized data intake with payer-defined data – always successful
- Re-defining competitive bidding
- Extending control of data to self-funded plans of all sizes
- Putting meaning into fiduciary oversight via Routine Plan Monitoring

## **Are you ready to manage your health plan costs?**

- Based on my experience, most employers and plan fiduciaries are not ready.
- Almost all want to – many try – but few sustain the effort required to manage health plan costs.

### **WHY?**

- Because they were not prepared.

## Are you ready to manage your health plan costs?

- Think of the challenge as an expedition – a mining expedition – a data mining expedition.
- You know “there’s gold in them there hills.”
- Knowing it’s there is one thing. Getting to it is another.

## **Are you ready to manage your health plan costs?**

- Would you embark on any major expedition without first making proper preparations?
- Yet that is what many self-funded plan managers do.

## Are you ready to manage your health plan costs?

- CFO.com has commissioned Health Decisions to develop benchmarking tools for self-funded plans.
- By measuring a series of (hopefully) simple questions, CFOs and others can assess their readiness to manage their self-funded health plan costs.
- Subsequent tools will compare experiences and results from their “mining expeditions.”

## **Are you ready to manage your health plan costs?**

- This webinar presents the current content of that tool.
- If you – or others you know – are interested in being part of the CFO.com benchmark tool testing, we welcome that interest.

## Step 1: Is the journey worth it?

Before embarking on a journey you want to be sure it's worth going.

Checkpoint #1 uses your best estimate of:

- Number of employees
- Number of retirees
- Estimated dollars of profit per unit of pricing.

With these three numbers we can calculate:

- The level of savings you can expect
- What amount of new “production” that represents.

If the amounts are too paltry, stop here.

For most, results will underscore the need for the journey.



## **Step 2: Review the Route You will Travel.**

Checkpoint #2 asks five simple questions:

- Employee locations,
- Unions,
- Retiree coverage,
- Number of health plans, and
- Employee relations.

These responses (when combined with size estimates) will identify challenges and opportunities you can expect to encounter along the journey.

## Step 3: Who is going on the expedition?

No one takes this journey alone.

Below are “fellow travelers” commonly involved in the journey.

- **“C” Suite.** Approve direction; provide support; and oversee results.
- **Human Resource staff.** This member of the party will either be a facilitator or a blocker but they will have information needed on the journey.
- **Risk Management staff.** Not always present but should be invited. Their views can offer a useful perspective.
- **Legal:** Legal questions will arise on the journey. Does current counsel have needed expertise?
- **IT:** The journey will require access to and use of internal rosters and other non-financial files.
- **Internal Audit:** If part of the company, they should be included. They are often the CFO’s biggest ally in the early stages of the journey.
- **Advisors:** Every plan has them. Who are they, what do they do and are their fees known to the CFO?
- **Sherpa:** Us – Health Decisions. The technical support and data specialists that have taken this journey hundreds of times.
- **Other parties** you want to include can also be listed.

Checkpoint #3 records your expedition party and their responsibilities.

## Step 4: Are you properly equipped for the journey?

### **Do not leave without copies of contracts.**

Make sure all contractual arrangements are available, current, and complete. (benefit, risk, and administration)

- Checkpoint #4 offers a simple matrix to document contracts.
- Gaps in contractual documentation need to be filled.
- The completion of this step assures the ability to understand the legal and contractual status of the group health plan.
- Not knowing this is travelling blind – at night.

## **Step 5: The first fork in the road: self-fund or insure?**

One of the most fundamental questions impacting health plan cost control is whether the plan is insured or self-funded.

Insured plans have very short journeys with a few stops.

Self-funded plans will each define their own journey and its duration.

Checkpoint #5 offers a series of five paired statements that score which way you lean on this question.

## **Step 6: Do you have the data provisions needed for the journey?**

- Enrollment and claims data are like the food and water you consume on a journey – without them you won't get far.
- Checkpoint #6 offers a simple multiple-choice tool that lets you (and other team members) characterize:
  - Their current access to data.
  - The plan administrator's level of data transparency.

## Step 7: Is your eligibility-enrollment-entitlement bridge in place?

- These plan functions are part of every journey.
  - Eligibility: requirements to be met (hours worked or employment status)
  - Enrollment: process to be followed
  - Entitlement: conditions on payment (cost sharing or coverage limits)
- Checkpoint #7 offers a simple multiple-choice tool to let you (and other team members) determine who performs these functions and their current handling.

## Step 8: Charting your journey

- Your team has come this far and is ready to begin.
- Step 6 confirmed data access and administrator practices.
- Now those practices need to be put to the test.
- Checkpoint #8 offers a data request template each team can complete and forward to the appropriate parties.
- Responses to this request from the plan administrator can be shared and compared.

## Step 9: Where to go first

- The simple matrix on the following slide lets you locate where you think waste, abuse, and fraud will be found.
- Checkpoint #9 compares your views to those from others.
- Differences can help describe unique plan issues or re-orient expectations.
- Actual results can be compared to these expectations.



## Examples of Waste, Abuse, and Fraud

	<b>Enrollment</b>	<b>Administration</b>	<b>Provider Billing</b>
<b>Waste</b>	Incorrect, incomplete, or out-of-date facts.	Duplicates or payment after termination.	Double payments, unbundling, up-coding.
<b>Abuse</b>	Manipulating COBRA elections.	Plan rules not approved by the Plan.	Excessive billing increases.
	Benefit use while ineligible.	Incomplete other liable party pursuit (especially Medicare).	Provider contract priorities.
<b>Fraud</b>	Enrolling an ineligible person.	Adding non-contractual fees.	Billing for care that is not needed or not provided.

## Health Plan Cost Management Journey Invitation to Begin

If you are interested in taking the Health Plan Self-assessment Survey:

- Send an e-mail to [Si@healthdecisions.com](mailto:Si@healthdecisions.com)
- You will receive an e-mail containing a secure link to your Survey that can be completed online.
- Results will be reviewed and compared to other responses as part of a no-cost report you will receive for your participation.

## For More Information Contact

[si@healthdecisions.com](mailto:si@healthdecisions.com)

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